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C O N F I D E N T I A L OTTAWA 000470

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TAGS: [PGOV](#) [CA](#)
SUBJECT: LIBERALS BEGIN TO BLINK?

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Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

11. (C) Summary. Chances for a snap election over the summer dimmed on June 16 in the wake of unusual meetings between the Prime Minister and the Leader of the Official Opposition. The public appears overwhelmingly against a summer election. Some Liberals privately question the wisdom of their leader's approach, but nonetheless predict that the party will end up pushing for an election in the fall, instead of the summer. Outside Ottawa, there is little public interest in this political theater. End Summary.

12. (SBU) The sudden -- and wildly unpopular, according to a new Canadian Press Harris Decima poll -- prospect of a summer election dimmed almost within hours of Liberal Party leader Michael Ignatieff's June 15 ultimatum-that-was-not-an ultimatum for greater clarity and accountability from the ruling Conservative Party (reftel). During the House of Commons' question period on June 15 and in an unusual late afternoon press conference by Prime Minister Stephen Harper, the Conservatives lobbed a few mild concessions to the Liberal camp, notably pledges to consider extending Employment Insurance to the self-employed later this year, to provide a written update on the medical isotope shortage as well as to anoint an "Isotope Czar," and to eliminate the budget deficits within five years. PM Harper publicly poked fun at Ignatieff's non-specific brinksmanship by commenting "Usually, you say 'do X or else.' You don't just say 'or else.'" He nonetheless agreed to a June 16 meeting with Ignatieff to assuage Ignatieff's complaints that the two had not met since January.

13. (SBU) PM Harper and Ignatieff had their private meeting during the afternoon of June 16, in lieu of participating in the House of Commons' question period, and -- unusually -- agreed to meet again later in the day. The PM's spokesman described it as "good and productive." Even in their absence, the exchanges across the floor during question period were noticeably heated (especially in contrast to June 15), with claims by the Liberals that Canadians would be "dying over the summer" if the government did not "fix" the EI system immediately, and the Conservatives alleging that Ignatieff's threat to bring down the government unless he was satisfied on his four issues by June 19 was "an abomination" and that stimulus spending would virtually stop if the government fell on the 19th.

14. (C) Liberal Foreign Affairs Critic and two-time leadership candidate Bob Rae opined to PolMinCouns on June 16 that the chances of a summer election had now virtually disappeared, although he added that Ignatieff had been sincere in his willingness to go to the polls absent any give from PM Harper. He admitted that, behind closed doors, the caucus had considerable reluctance to face the voters over the summer, but had been disinclined to try to overrule the relatively new leader. He claimed that Ignatieff had "made up his own mind" on this brinksmanship approach without much, or perhaps even any, internal consultations; "Michael is an intellectual who is also a politician. He does his own

reading, makes his own analysis, and then comes to his own decision."" Rae commented that, having come so close to bringing down the government this week, it was all but sure that the Liberals would do so in the fall rather than wait until early 2010, or else lose all credibility with the public and especially the party loyalists, as had happened with former leader Stephane Dion.

15. (C) Comment: Outside Ottawa, there is little public interest in this political theater and almost no appetite for a summer election. The likelihood is that cooler heads will prevail and that both the PM and the Liberal leader will claim enough ""victory"" from their consultations to enable the budget estimates (a confidence vote) to pass on June 19 (with a vote now unusually scheduled for 10 p.m.) and for all parties to spend the summer either on vacation or courting their voters.

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